Small Business Development Bill

1086. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government propose to introduce the Small Business Development Bill;

(b) if so, the salient features thereof; and

(c) the measures taken to bring down the interest rates on loans to SSI by the Nationalised Banks?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) and (b) Government have formulated a draft legislation *viz.* "Small Enterprises Development Bill", which seeks to address concerns of the Small Scale Industries (SSI) sector related to credit, marketing, trade protection, labour related returns/ inspections, registration of units, Government purchases, etc.

(c) Reserve Bank of India have already issued instructions to banks to provide credit to small scale industries at interest within a band of 2% plus/minus their Prime Lending Rate (PLR).

Difficulties faced by the SSIs

1087. PROF. M. M. AGARWAL: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Small Scale Industries are facing difficulties in comparison to the multinational companies under liberalisation policy;

(b) if so, the details thereof;

(c) whether Government have received any memoranda to redress their grievances from some associations; and

(d) if so, the action taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) to (c) Government have occasionally received representations from small scale industries and

industry associations expressing their concern over the growing competition from multinational companies under the liberalized industrial policy.

(d) Policy measures already exist to safeguard and protect the interest of small scale industries. Government have announced a Comprehensive Policy Package to strengthen the small scale industries sector and enhance its domestic and global competitiveness. The package provides for *inter-alia*, easier access to credit, availability of collateral free composite loan upto Rs. 25.00 lakhs, marketing support, capital subsidy for technological upgradation and improved infrastructure. In addition, Government and the Reserve Bank of India have also announced various other measures/incentives including instructions to banks to provide credit to SSIs at interest within a band of 2% plus/minus their Prime Lending Rate (PLR), introduction of Laghu Udyami Card Scheme, selective enhancement of investment limits etc. to enable SSIs to compete successfully in the open market.

Separate law for SSI sector

1088. DR. T. SUBBARAMI REDDY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government have decided to formulate a separate law for the small scale industries sector;

(b) if so, whether he has held a meeting with the Finance Minister and head of various commercial banks to discuss the issue of extending credit facilities to SSI sector;

(c) whether drop in interest rates over the last few years has applied a squeeze on the spread of the Indian banking sector;

(d) if so, whether the Finance Minister had urged the banks to give maximum aid to small sector; and

(e) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) Government have formulated a draft legislation *viz.* "Small Enterprises Development Bill", which seeks to address concerns of the Small Scale Industries (SSIs) sector